

RESOLUTION NO. 354-07

BY: **NICHOLAS CELEBREZZE**

A RESOLUTION URGING THE U.S. SENATE TO SUPPORT THE PASSAGE OF S. 2136, CITED AS THE "HELPING FAMILIES SAVE THEIR HOMES IN BANKRUPTCY ACT OF 2007", WHICH WILL ALLOW HOMEOWNERS TO MODIFY THEIR MORTGAGES IN BANKRUPTCY TO AVOID FORECLOSURE, AND DECLARING AN EMERGENCY

WHEREAS, the foreclosure crisis is due in part to lax regulation of mortgage lending and predatory actions of certain lenders. It is incumbent that the Federal government assist homeowners with additional opportunities to negotiate a workout on their mortgages; and,

WHEREAS, the collapse of the subprime mortgage market has put approximately 2.2 million families in danger of losing their homes; and,

WHEREAS, there is a need to provide families every reasonable tool to ensure they can keep a roof over their heads; and,

WHEREAS, virtually every type of personal debt, including vacation homes and family farms, can be restructured in bankruptcy with the exception of a mortgage on a primary residence; and,

WHEREAS, the mortgage market has changed considerably since the 1970's when most mortgages were fixed rate, long-term agreements between local bankers and their neighborhood customers; and,

WHEREAS, the bill would help the bankruptcy code catch up with the shift in the home mortgage market; and,

WHEREAS, vacant foreclosed properties often become a breeding ground for crime and fires, and require a disproportionate amount of government maintenance, from securing properties against criminal activity to removal of garbage and rodents to demolition, all at a cost to taxpayers; and,

WHEREAS, vacant properties reduce city tax revenue in three ways: they are often tax delinquent; their low value means they generate little in taxes; and they depress property values across an entire neighborhood; and,

WHEREAS, the citizens who live in neighborhoods with many vacant and abandoned homes have great difficulty obtaining homeowner's insurance, mortgages and loans for home improvements; and,

WHEREAS, vacant properties degrade and devalue the quality of life for remaining residents, isolating and weakening the neighborhood, and increasing the likelihood that property values will continue to decline and further abandonment will set in;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARMA, STATE OF OHIO:

Section 1. That this Council hereby urges the U.S. Senate to support the passage of S. 2136, cited as the "Helping Families Save Their Homes in Bankruptcy Act of 2007", which will allow homeowners to modify their mortgages in bankruptcy to avoid foreclosure.
Pg. 2 of L-353-07 Res. urging the U.S. Senate to support the passage of S. 2136, cited as the "Helping Families Save Their Homes in Bankruptcy Act of

2007", which will allow homeowners to modify their mortgages in bankruptcy to avoid foreclosure, and declaring an emergency

Section 2. That the Clerk of Council be, and he hereby is, directed to forward a certified copy of this Resolution to Senators Sherrod Brown and George Voinovich, and Congressman Dennis Kucinich.

Section 3. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 4. That this Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare of the City of Parma, and for the further reason that this measure is necessary due to upcoming hearings, and this Resolution shall become immediately effective upon receiving the affirmative vote of two-thirds of all members elected to Council and approval of the Mayor, otherwise from and after the earliest period allowed by law.

PASSED:_____ PRESIDENT OF COUNCIL

ATTEST:_____ APPROVED:_____

CLERK OF COUNCIL

FILED WITH
THE MAYOR:_____ MAYOR, CITY OF PARMA, OHIO